

_____ BILL NO. _____

INTRODUCED BY _____
(Primary Sponsor)

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE AUTOMATIC TAX TRACKING ADJUSTMENT FOR UTILITIES; PROVIDING THAT THE PUBLIC SERVICE COMMISSION IS REQUIRED TO ALLOW A PUBLIC UTILITY TO FILE RATE SCHEDULES CONTAINING PROVISIONS FOR THE AUTOMATIC ADJUSTMENT AND TRACKING OF MONTANA STATE AND LOCAL TAXES AND FEES ONLY IF THE UTILITY HAS FILED FOR A GENERAL RATE REVIEW WITHIN 5 YEARS; EXTENDING THE PERIOD FOR PUBLIC SERVICE COMMISSION ACTION ON THE FILING FOR THE TAX TRACKING ADJUSTMENT; REVISING THE DATE ON WHICH RATES ARE EFFECTIVE; AMENDING SECTION 69-3-308, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 69-3-308, MCA, is amended to read:

"69-3-308. Disclosure of taxes and fees paid by customers of public utility -- automatic rate adjustment and tracking for taxes and fees. (1) A public utility may separately disclose in a customer's bill the amount of state and local taxes and fees assessed against the public utility that the customer is paying.

(2) (a) (i) ~~The~~ If a utility has filed for a general rate review within 5 years of a filing under this subsection (2), the commission shall allow a public utility to file rate schedules containing provisions for the automatic adjustment and tracking of Montana state and local taxes and fees, except state income tax, paid by the public utility. The resulting rate schedule changes must include:

(A) adjustments for the net change in federal and state income tax liability caused by the deductibility of state and local taxes and fees;

(B) retroactive tax adjustments; and

(C) adjustments related to the resolution of property taxes paid under protest.

(ii) The rate schedules must include provisions for annual rate adjustments, including both tax increases and decreases.

(b) The amended rates must automatically go into effect on ~~January~~ April 1 following the date of change in taxes paid on an interim basis, subject to any adjustments determined in subsection (2)(c).

(c) The amended rate schedule must be filed with the commission on or before the effective date of the change in taxes paid, and if the commission determines that the revised rate schedule is in error, the commission may, within ~~45~~ 90 days of receipt of the revised rate schedule, ask for comment and order the public utility to address any errors or omissions including, if necessary, any refunds due customers.

(d) Failure of the commission to issue an order pursuant to subsection (2)(c) is considered approval on the part of the commission.

(e) A public utility may challenge an order issued by the commission under subsection (2)(c) in accordance with the provisions of 69-3-401 through 69-3-405."

NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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